

**Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C. 20554**

In the Matter of	)	
	)	
AT&T CORP.,	)	
	)	Docket No. 17-56
Complainant	)	
	)	Bureau ID No. EB-07-MD-001
vs.	)	
	)	
IOWA NETWORK SERVICES, INC.	)	
DBA AUREON NETWORK SERVICES,	)	
	)	
Defendant.	)	
	)	

**IOWA NETWORK SERVICES, INC. DBA AUREON NETWORK SERVICES'  
FIRST SET OF INTERROGATORIES TO AT&T CORP.**

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Aureon Network Services

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**IOWA NETWORK SERVICES, INC. DBA AUREON NETWORK SERVICES’  
FIRST SET OF INTERROGATORIES TO AT&T CORP.**

Pursuant to 47 C.F.R. § 1.729, Respondent Iowa Network Services, Inc. dba Aureon Network Services (“Aureon”) hereby requests that the Federal Communications Commission (“FCC,” or the “Commission”) require Complainant AT&T Corp. (“AT&T”), to answer in writing, under oath, the following Interrogatories and produce the following Documents in accordance with the Definitions and Instructions below, and in the time provided by 47 C.F.R. § 1.729.

**I. DEFINITIONS**

1. “Communications Act,” or “Act” means the Communications Act of 1934, as amended, 47 U.S.C. § 151 *et seq.*
2. “CEA” means centralized equal access service provided to interexchange carriers, such as AT&T, and any services related thereto.
3. “Communication” or words of similar import, in the singular or plural, shall mean and include, without limitation, any transmission of documents, conversations, discussions,

meetings, or other oral or written exchanges arising out of or concerning the subject matter addressed.

4. “Identify” or “Identification” when used in reference to a Person means to State his or her: (1) full name; (2) present or last known address, present or last known telephone number, and present or last known position and business affiliation.

5. “Identify” or “State,” when used in reference to any fact, act, occurrence, transaction, statement, communication, or other matter, means to describe and Identify with particularity the facts constituting such matter.

6. “Aureon” means its agents, employees, officers, directors, principals and other representatives, and its predecessors, successors, affiliates, subsidiaries, parent companies and assigns, collectively and singly, and their agents, employees, officers, directors, principals and other representatives.

7. “IXC” means an interexchange carrier, which is a telecommunications company that provides long distance, *i.e.* interexchange, service to customers, including end users and other carriers.

8. “LECs” or “Subtending LECs” means the local exchange carriers to whose facilities Aureon has connected its Centralized Equal Access network, with whom Aureon has entered into a traffic agreement, or which are listed in Section 9 of Aureon’s tariffs.

9. “Person,” “Persons,” “People,” and “Individual” means any natural Person and any entity recognized by law as Persons, together with all federal, state, county, municipal, and other government units, agencies, or public bodies, as well as firms, companies, corporations, partnerships, proprietorships, joint ventures, organizations, groups of natural Persons or other

associations or entities separately identifiable, whether or not such associations or entities have separate legal existence of their own right.

10. “Relating to” or “Related to” or any derivatives thereof means to make a statement about, refer to, discuss, describe, reflect, Identify, deal with, consist of, explain, comprise, or in any way pertain in whole or in part, directly or indirectly, to the subject identified.

11. Unless expressly limited in a particular request, “AT&T,” “You,” “Your,” or “Yourself” means AT&T Corp., and any of its agents, employees, officers, directors, principals, and other representatives, and its predecessors, successors, affiliates, subsidiaries, parent companies, and assigns, collectively and singly, and their agents, employees, officers, directors, principals, and other representatives, and any other Persons or entities acting or purporting to act on its or their behalf.

12. “And” as well as “or” shall be construed either conjunctively or disjunctively, where necessary, to bring within the scope of discovery Documents or information which might otherwise be construed to be outside the scope of discovery.

13. The terms “any” and “all” are used interchangeably, and are intended to bring within the scope of discovery Documents or information which might otherwise be construed to be outside the scope of discovery.

14. The term “each” shall include the terms “each and every.”

15. The present tense shall be read to include the past tense, and the past tense shall be read to include the present tense.

16. The singular shall be read to include the plural, and the plural shall be read to include the singular.

17. The use of the conjunctive shall be read to include the disjunctive, and the use of the disjunctive shall be read to include the conjunctive.

## **II. INSTRUCTIONS**

When responding to the Interrogatories, please comply with the instructions below:

1. Each Interrogatory is continuing in nature, and requires supplemental responses as soon as new, different, or further information is obtained that is related to answering the Interrogatory.

2. Provide all information, including all documents, related to answering the Interrogatory that are in your possession, custody, or control, regardless of whether such documents are possessed directly by you, or by your employees, officers, directors, agents, representatives, or any other Person or entity acting or purporting to act on their behalf.

3. If you contend that any part of your response to a particular Interrogatory contains trade secrets or other proprietary or confidential business or personal information, such contention shall not provide a basis for refusing to respond within the time required by the applicable rules. You shall respond according to and under the terms of 47 C.F.R. § 1.731.

4. Please begin the response to each request on a separate page.

5. Please restate each Interrogatory before providing the response or objection.

6. Please specify the Interrogatory in response to which any Document, narrative response, or objection is provided. If a Document, narrative response, or objection relates to more than one request, please cross reference.

7. For each separate Interrogatory, Identify the Person(s) under whose supervision the response was prepared.

8. For any Interrogatory consisting of separate subparts or portions, a complete response is required to each subpart as if the subpart or portion were propounded separately.

9. Produce any Document in the form of legible, complete, and true copies of the original Documents.

10. Please provide all Documents in their native format, together with all metadata.

11. If you assert that Documents or information related to answering an Interrogatory are unavailable or have been discarded or destroyed, State when and explain in detail why any such Document was unavailable, discarded, or destroyed, and Identify the Person directing the discarding or destruction. If a claim is made that the discarding or destruction occurred pursuant to a discarding or destruction program, Identify and produce the criteria, policy, or procedures under which such program was undertaken.

12. If any Interrogatory cannot be answered in full after reasonable inquiry, provide the response to the extent available, State why the Interrogatory cannot be answered in full, and provide any information within your knowledge concerning the description, existence, availability, and custody of any unanswered portions.

### **III. INTERROGATORIES**

#### **INTERROGATORY NO. 1:**

Produce each and every agreement between AT&T and another service provider pursuant to which AT&T has routed traffic for that other service provider to Aureon's network between August 1, 2013 and the present. Identify each Person with which AT&T has such an agreement and provide detailed information regarding (1) the rate(s) charged by AT&T to each Person under such an agreement; (2) the amounts billed to each Person each month from September 2013 (for services provided in August 2013) to the present; (3) the amount of traffic in minutes of use ("MOU"), and if the wholesale customer is not billed on an MOU basis, the basis used (such as capacity) to bill that Person, that AT&T transported for each service provider associated with those

bills; and (4) the dollar amount of the monthly payments that AT&T has made to Aureon for such traffic (separately identified by each agreement with the other service provider).

**Explanation:**

This information is needed to support the affirmative defense of “claimant’s own conduct.” The information sought through this discovery will show that AT&T’s own conduct caused AT&T’s alleged damages. This interrogatory seeks evidence showing that AT&T significantly increased the volume of traffic for which AT&T was billed by Aureon through a scheme whereby AT&T received payments from other carriers to transport the traffic of those other carriers to Aureon’s network, and then AT&T deliberately deprived Aureon of any compensation for such usage of Aureon’s network. Copies of the agreements and information regarding AT&T’s wholesale rates are needed to show that AT&T’s own conduct in voluntarily offering a low wholesale rate and attractive contract terms to other carriers greatly stimulated the usage of Aureon’s network for which AT&T has refused to compensate Aureon.

This information is also needed to support the affirmative defenses of “conduct contrary to public policy,” “res judicata,” and “collateral estopped.” Copies of AT&T’s wholesale termination agreements and information regarding AT&T’s wholesale rates will show whether the price that AT&T charges other carriers is significantly less than the tariff rate that AT&T knows it has to pay Aureon when AT&T routes the traffic of other carriers to Aureon’s network. Such evidence would reveal AT&T’s unlawful motive to financially injure Aureon by not compensating Aureon for the traffic of other carriers, force Aureon out of the CEA business, and eliminate AT&T’s small long distance competitors that rely upon the CEA network to deliver their calls to rural Iowa. Such predatory pricing by AT&T “makes sense only because it eliminates competition.” *William Inglis & Sons Baking Co. v. ITT Continental Baking Co.*, 668 F.2d 1014, 1030-31 (9<sup>th</sup> Cir. 1981).

The requested information will also demonstrate whether AT&T's wholesale contracts with other IXC's is thwarting the purpose of the mandatory terminating use policy that the Commission adopted for CEA service. The Commission required all IXC's to route over Aureon's CEA network all traffic terminating to the end offices of Subtending LEC's in order to maintain an affordable CEA tariff rate for AT&T's smaller IXC competitors and thereby increase the choice of long distance services available in rural Iowa. The Commission concluded that the mandatory terminating use policy was essential to the economic viability of Aureon's CEA network.

“All toll traffic, both inter- and intra-state, is to transit the Des Moines switch for ticketing and billing...In reaching its decision, the Bureau determined that INAD's [Iowa Network Access Division's] inclusion of a mandatory terminating use requirement for interstate traffic was not ‘unreasonable [nor would differ] substantially from the normal way access is provided, as both an originating and terminating service.’”

*Application of Iowa Network Access Division for Authority Pursuant to Section 214 of the Communications Act of 1934 and Section 63.01 of the Commission's rules and Regulations to Lease Transmission Facilities to Provide Access Service to Interexchange Carriers in the State of Iowa*, Memorandum Opinion and Order, 4 FCC Rcd 2201 ¶¶ 2, 3 (1989) (“*CEA Section 214 Order*”). In affirming the mandatory terminating use policy on appeal, the Court held that “unless INS provided terminating access as well as originating access, all the costs of operating the network would have to be recovered in the provision of originating access only.” *Nw. Bell Tel. Co. v. Iowa Utils. Bd.*, 477 N.W.2d 678, 684 (Iowa 1991). The Court reasoned that “[s]uch a result would frustrate one of the main goals of the INS system since the higher costs, which would be passed along to the interexchange utilities, would deter the entry of competition”. *Id.* The doctrines of res judicata and collateral estoppel preclude AT&T, as a party to the Commission proceedings that adopted the mandatory terminating use policy, from re-litigating the CEA mandatory terminating use policy in this proceeding.



Evidence showing that AT&T transported the traffic of other IXCs to Aureon's CEA network with the intent to avoid payment to Aureon, either in whole or in part, of Aureon's tariff rate would prove that AT&T has been engaged in fraud. Furthermore, the upward pressure on the CEA tariff rate that would result from AT&T's interference with Aureon receiving compensation for other IXCs' traffic is the same as if AT&T removed the other IXCs' traffic from the CEA network in violation of the mandatory terminating use policy. Conduct by AT&T that causes an increase in the CEA tariff rate that the mandatory terminating use policy was designed to prevent is relevant to the Commission's consideration of the reasonableness of the CEA tariff rate. Because Aureon's CEA rate under Section 61.38 is calculated to recover Aureon's regulated costs, any failure by AT&T to pay that tariff rate for the other IXCs' traffic it delivers to Aureon's network causes cost under-recovery and requires increases to Aureon's CEA tariff rate. The requested evidence will show whether AT&T's wholesale transport for other IXCs is undermining the mandatory terminating use policy with the goal of rendering CEA service unaffordable for AT&T's smaller IXC competitors; a result which would harm consumers as competitive long distance services are discontinued to hundreds of small towns and rural areas connected to the CEA network.

The requested information may also be used to demonstrate that Aureon's rates are just and reasonable. Aureon's CEA tariff rate is a necessary cost that AT&T will incur when AT&T transports calls for other IXCs that are routed over Aureon's CEA network. Therefore, the price that AT&T charges other IXCs or, if not a per-minute rate, the revenue that AT&T receives from other IXCs, may help demonstrate the reasonableness of Aureon's tariff rate, if AT&T priced its terminating transport service rationally. To the extent AT&T charges a price for routing calls to Aureon's network that is higher than Aureon's tariff rate, a larger margin above Aureon's tariff

rate will help demonstrate the extent that the market price is above Aureon's tariff rate and that Aureon's tariff rate is reasonable. The greater the amount that AT&T's price exceeds Aureon's tariff rate, the higher the price that the market has determined to be reasonable during the voluntary contractual negotiations between AT&T and its wholesale IXC customers.

AT&T asserts that Aureon's service does not provide any value to AT&T. The revenues that AT&T receives from its carrier customers for traffic routed to Aureon will be used to demonstrate that Aureon's CEA service does provide value to AT&T because Aureon's service enables AT&T to bill its carrier customers and be paid for routing traffic for other carriers.

The requested information is also needed to demonstrate that AT&T failed to mitigate its alleged damages. Evidence regarding the volume of traffic that AT&T carried for other IXCs will show whether AT&T made any attempt to mitigate its alleged damages by carrying less traffic for wholesale customers. Furthermore, evidence regarding the prices that AT&T billed other IXCs for wholesale service will show whether AT&T mitigated its alleged damages by increasing the price that AT&T charged other IXCs to route traffic to Aureon's CEA network.

The information requested is only available from AT&T.

**INTERROGATORY NO. 2:**

Identify (1) all offers, arrangements, agreements, proposals, correspondence, or other documents between August 1, 2013 through the present for the traffic for AT&T's retail and wholesale customers that was routed or proposed to be routed to the facilities of one or more Subtending LECs without being routed over Aureon's network, (2) the carrier or other Person that transported or would transport such traffic, (3) the type of facilities and network route over which such traffic was transported or would have been transported; and (4) to the extent that AT&T did not accept or enter into such offers, arrangements, agreements, or proposals, the reasons why

AT&T did not enter into such offers, arrangements, agreements, or proposals to route such traffic to the facilities of one or more Subtending LECs without routing such traffic over Aureon's network. Produce each and every offer, agreement, draft contract, emails, letters, notes, and other documents Relating to transporting traffic of AT&T's retail and wholesale customers to the facilities of one or more Subtending LECs without routing such traffic to Aureon's network.

**Explanation:**

This information is needed to support Aureon's affirmative defenses of "conduct contrary to public policy," "res judicata," and "collateral estopped." Documents produced by AT&T during the pre-complaint informal exchange of documents revealed that AT&T sent letters last year to several Subtending LECs demanding, contrary to public policy, direct trunked transport to their end offices in an apparent attempt to dupe and intimidate those LECs into removing a substantial volume of traffic from the CEA network. Those Subtending LECs have agreed to route AT&T's traffic over the CEA network, and those Subtending LECs are listed as Routing Exchange Carriers in Aureon's tariff for purposes of CEA service. Furthermore, in adopting Section 69.112(i), and in response to AT&T's argument as a party to that rulemaking proceeding contending that direct trunked transport should be provided in lieu of CEA service, the Commission held that "we do not require centralized equal access providers or LECs participating in such arrangements to offer direct-trunked transport service." *In the Matter of Transport Rate Structure and Pricing*, Report and Order and Further Notice of Proposed Rulemaking, 7 FCC Rcd 7006, 7048-49 ¶¶ 89, 91 (1992). The requested information will demonstrate whether AT&T has violated, or is taking steps to violate, the mandatory terminating use policy that the Commission adopted for CEA service.

The Commission required AT&T, as the nation's largest IXC, to route over Aureon's CEA network all traffic terminating to the end offices of Subtending LECs in order to maintain an

affordable CEA tariff rate for AT&T's smaller IXC competitors and thereby increase the choice of long distance services available in rural Iowa. The Commission found that Aureon's CEA network would not be economically viable if it carried only the traffic of new market entrants and required AT&T to route its terminating traffic over the CEA network to the Subtending LECs' end offices:

“All toll traffic, both inter- and intra-state, is to transit the Des Moines switch for ticketing and billing...In reaching its decision, the Bureau determined that INAD's [Iowa Network Access Division's] inclusion of a mandatory terminating use requirement for interstate traffic was not ‘unreasonable [nor would differ] substantially from the normal way access is provided, as both an originating and terminating service.’”

*CEA Section 214 Order*, 4 FCC Rcd 2201 ¶¶ 2, 3. In affirming the mandatory terminating use policy on appeal, the Court held that “unless INS provided terminating access as well as originating access, all the costs of operating the network would have to be recovered in the provision of originating access only.” *Nw. Bell Tel. Co. v. Iowa Utils. Bd.*, 477 N.W.2d at 684. The Court reasoned that “[s]uch a result would frustrate one of the main goals of the INS system since the higher costs, which would be passed along to the interexchange utilities, would deter the entry of competition”. *Id.* The doctrines of res judicata and collateral estoppel preclude AT&T, as a party to the Commission proceedings that adopted the mandatory terminating use policy, from re-litigating the CEA mandatory terminating use policy in this proceeding.

If the evidence sought through this discovery request shows that AT&T has allowed, or is taking steps to allow, the traffic of AT&T's customers to be transported to the Subtending LECs' end offices without routing such traffic to Aureon's network, then such unlawful conduct by AT&T is relevant to the Commission's consideration of the reasonableness of the CEA tariff rate. Because Aureon's CEA rate under Section 61.38 is inversely related to the amount of traffic carried – *i.e.*, as traffic volumes decrease, the CEA rate increases, and vice versa -- a violation of the

mandatory terminating use policy by AT&T either now or in the future would cause a significant increase in Aureon's CEA tariff rate. The rate impact would be seriously exacerbated to the extent that AT&T's wholesale terminating service removes the traffic of other large IXC's from the CEA network by transporting, or having third parties transport, the traffic of those other IXC's. The requested evidence will show whether AT&T has engaged in, or is considering, conduct that would create an unlawful advantage for AT&T over other long distance carriers by causing those smaller IXC competitors to pay a higher CEA rate to compete in rural Iowa.. The requested information will disclose any plans by AT&T to violate the mandatory terminating use policy and render CEA service unaffordable for AT&T's smaller IXC competitors; a result which would harm consumers as competitive long distance services are discontinued to hundreds of small towns and rural areas connected to the CEA network.

The information requested is only available from AT&T.

**INTERROGATORY NO. 3:**

In a November 18, 2016 email (ATT-001073), **[[BEGIN CONFIDENTIAL]]** [REDACTED]

[REDACTED]

**[[END CONFIDENTIAL]]** By email on November 18, 2016 (ATT-001072), **[[BEGIN CONFIDENTIAL]]** [REDACTED]

**[[END CONFIDENTIAL]]** Identify (1) the annual minutes of use for the next five years of traffic that does not involve access stimulation, which AT&T is considering whether to route from or to the facilities of Subtending LECs without routing such traffic to Aureon's network, (2) whether such traffic is originating traffic or terminating traffic; (3) the carrier or other Person that would transport such traffic, and (4) the type of facilities and network route over which such traffic would be transported. Produce

each and every signed agreement, draft contract, emails, letters, notes, and other documents Relating to AT&T's routing of traffic that does not involve access stimulation (from) or to the facilities of one or more Subtending LECs without routing such traffic to Aureon's network.

**Explanation:**

This information is needed to support Aureon's affirmative defenses of "conduct contrary to public policy," "res judicata," and "collateral estopped." Documents produced by AT&T during the pre-complaint informal exchange of documents revealed that AT&T sent letters last year to several Subtending LECs demanding, contrary to public policy, direct trunked transport to their end offices in an apparent attempt to dupe and intimidate those LECs into removing a substantial volume of traffic from the CEA network. Those Subtending LECs have agreed to route AT&T's traffic over the CEA network, and those Subtending LECs are listed as Routing Exchange Carriers in Aureon's tariff for purposes of CEA service. Furthermore, in adopting Section 69.112(i), and in response to AT&T's argument as a party to that rulemaking proceeding contending that direct trunked transport should be provided in lieu of CEA service, the Commission held that "we do not require centralized equal access providers or LECs participating in such arrangements to offer direct-trunked transport service." *In the Matter of Transport Rate Structure and Pricing*, Report and Order and Further Notice of Proposed Rulemaking, 7 FCC Rcd 7006, 7048-49 ¶¶ 89, 91 (1992). The requested information will demonstrate whether AT&T has violated, or is taking steps to violate, the mandatory terminating use policy that the Commission adopted for CEA service.

The Commission required AT&T, as the nation's largest IXC, to route over Aureon's CEA network all traffic terminating to the end offices of Subtending LECs in order to maintain an affordable CEA tariff rate for AT&T's smaller IXC competitors and thereby increase the choice of long distance services available in rural Iowa. The Commission found that Aureon's CEA

network would not be economically viable if it carried only the traffic of new market entrants and required AT&T to route its terminating traffic over the CEA network to the Subtending LECs' end offices:

“All toll traffic, both inter- and intra-state, is to transit the Des Moines switch for ticketing and billing...In reaching its decision, the Bureau determined that INAD's [Iowa Network Access Division's] inclusion of a mandatory terminating use requirement for interstate traffic was not ‘unreasonable [nor would differ] substantially from the normal way access is provided, as both an originating and terminating service.’”

*CEA Section 214 Order*, 4 FCC Rcd 2201 ¶¶ 2, 3. In affirming the mandatory terminating use policy on appeal, the Court held that “unless INS provided terminating access as well as originating access, all the costs of operating the network would have to be recovered in the provision of originating access only.” *Nw. Bell Tel. Co. v. Iowa Utils. Bd.*, 477 N.W.2d at 684. The Court reasoned that “[s]uch a result would frustrate one of the main goals of the INS system since the higher costs, which would be passed along to the interexchange utilities, would deter the entry of competition”. *Id.* The doctrines of res judicata and collateral estoppel preclude AT&T, as a party to the Commission proceedings that adopted the mandatory terminating use policy, from re-litigating the CEA mandatory terminating use policy in this proceeding.

If the evidence sought through this discovery request shows that AT&T has allowed, or is taking steps to allow, the traffic of AT&T's customers to be transported to the Subtending LECs' end offices without routing such traffic to Aureon's network, then such unlawful conduct by AT&T is relevant to the Commission's consideration of the reasonableness of the CEA tariff rate. Because Aureon's CEA rate under Section 61.38 is inversely related to the amount of traffic carried – *i.e.*, as traffic volumes decrease, the CEA rate increases, and vice versa -- a violation of the mandatory terminating use policy by AT&T either now or in the future would cause a significant increase in Aureon's CEA tariff rate. The rate impact would be seriously exacerbated to the extent

that AT&T's wholesale terminating service removes the traffic of other large IXCs from the CEA network by transporting, or having third parties transport, the traffic of those other IXCs. The requested evidence will show whether AT&T has engaged in, or is considering, conduct that would create an unlawful advantage for AT&T over other long distance carriers by causing those smaller IXC competitors to pay a higher CEA rate to compete in rural Iowa. The requested information will disclose any plans by AT&T to violate the mandatory terminating use policy and render CEA service unaffordable for AT&T's smaller IXC competitors; a result which would harm consumers as competitive long distance services are discontinued to hundreds of small towns and rural areas connected to the CEA network.

The information requested is only available from AT&T.

**INTERROGATORY NO. 4:**

With regard to traffic that AT&T routed to Aureon's network that was transported to Subtending LECs assigned the following Operating Company Numbers ("OCNs"):

739D	Reasnor Telephone Company, LLC
156C	BTC, Inc, - IA
345D	Great Lakes Communication Corp. - IA
3620	Omnitel Communications, Inc. - IA
7094	Goldfield Access Network, L.C.
860E	Interstate Cablevision – IA
904D	Premier Communications, Inc. - IA
4650	Louisa Communications, L.C.

(1) Identify separately for each of these eight Subtending LECs the per minute rate and the monthly dollar amount that AT&T paid Aureon for the CEA service that routed traffic to the facilities of those Subtending LECs between August 1, 2013 through the present; and (2) produce all analysis, emails, communications, and other documents Relating to the rate and dollar amounts that AT&T paid Aureon for the CEA service that routed traffic to the facilities of those eight Subtending LECs.



**Explanation:**

This information is needed to determine the methodology used and basis for the per minute rate that AT&T has paid Aureon for CEA service in order to rebut AT&T's assertion that Aureon's tariff rates are not just and reasonable. While AT&T only pays a very small portion of the tariff rate each month for CEA service, Aureon cannot determine from AT&T's payments whether AT&T is paying the same lower self-help rate for all CEA traffic or different rates that vary depending upon the terminating location of the calls. Aureon needs to review the details of AT&T's analysis and the reasoning behind its conclusions to determine if AT&T is applying Section 61.38 of the Commission's rules correctly in developing the different rates it has paid Aureon.

The requested information is also needed to support Aureon's affirmative defenses of "conduct contrary to public policy," "res judicata," and "collateral estoppel." This discovery request seeks evidence that AT&T is thwarting the purpose of the mandatory terminating use policy that the Commission adopted for CEA service. *CEA Section 214 Order*, 4 FCC Rcd 2201 ¶¶ 2, 3. The doctrines of res judicata and collateral estoppel preclude AT&T, as a party to the Commission proceedings that adopted the mandatory terminating use policy, from re-litigating the CEA mandatory terminating use policy in this proceeding. Furthermore, evidence showing that AT&T transported traffic to Aureon's CEA network with the intent to avoid payment to Aureon, either in whole or in part, of Aureon's tariff rate would prove that AT&T has engaged in fraud.

If the evidence sought through this discovery request shows that AT&T is paying Aureon nothing, or significantly less than the tariff rate, for the CEA service that routed traffic to the facilities of those eight Subtending LECs identified in this interrogatory, then the upward pressure on the CEA tariff rate is the same as if AT&T removed the traffic terminating to those Subtending

LECs from the CEA network in violation of the mandatory terminating use policy. Conduct by AT&T that causes an increase in the CEA tariff rate that the mandatory terminating use policy was designed to prevent is relevant to the Commission's consideration of the reasonableness of the CEA tariff rate. Aureon's CEA rate under Section 61.38 is calculated to recover Aureon's regulated costs, which include the significant costs associated with the tandem switches and fiber cable that transmitted calls to the facilities of the eight Subtending LECs identified in this interrogatory. Any failure by AT&T to fully pay the tariff rate for the switching and transport of such traffic causes cost under-recovery and requires increases to Aureon's CEA tariff rate. The requested evidence will show whether AT&T's failure to pay the tariff rate is undermining the mandatory terminating use policy and whether AT&T's intention is to render CEA service unaffordable for AT&T's smaller IXC competitors; a result which would harm consumers as competitive long distance services are discontinued to hundreds of small towns and rural areas connected to the CEA network.

The information requested is only available from AT&T.

**INTERROGATORY NO. 5:**

Separately Identify the reduction in Aureon's revenue requirement and interstate rate of return for CEA service between August 2013 to the present calculated in accordance with 47 C.F.R. § 61.38 that would result separately for each of the following: (1) if AT&T removed all of its traffic from Aureon's network, (2) if AT&T removed only the traffic of other carriers from Aureon's network that purchase AT&T's wholesale service, and (3) if the traffic that AT&T contends was due to access stimulation were removed from Aureon's network. Produce all analysis, emails, communications, and other documents Relating to the impact upon or change that would result to the revenue requirement, interstate rate of return, or rate for Aureon's CEA service

if AT&T paid Aureon less than the tariff rate or reduced the volume of traffic that AT&T routed to Aureon's network.

**Explanation:**

This information is needed to rebut AT&T's allegation that the CEA tariff rate is not just and reasonable by showing the tariff rate that would be required by Section 61.38 of the Commission's rules if AT&T gets its way by either removing a substantial volume of traffic from Aureon's network or paying Aureon a lower rate than the tariff rate paid by other IXCs.

The requested information is also needed to support Aureon's affirmative defenses of "conduct contrary to public policy," "res judicata," and "collateral estoppel" arising from AT&T's violation of the mandatory terminating use policy the Commission adopted for CEA service and AT&T's fraudulent use of Aureon's network. *CEA Section 214 Order*, 4 FCC Rcd 2201 ¶¶ 2, 3. This discovery request seeks evidence that AT&T intends to undermine the purpose of the mandatory terminating use policy by either removing traffic from the CEA network or insisting upon payment of a CEA rate that is less than the rate required for cost recovery in accordance with Section 61.38. The doctrines of res judicata and collateral estoppel preclude AT&T, as a party to the Commission proceedings that adopted the mandatory terminating use policy, from re-litigating the CEA mandatory terminating use policy in this proceeding. Furthermore, evidence showing that AT&T transported traffic to Aureon's CEA network with the intent to avoid payment to Aureon, either in whole or in part, of Aureon's tariff rate would prove that AT&T has engaged in fraud.

Documents produced by AT&T during the pre-complaint informal exchange of documents revealed that AT&T sent letters last year to several Subtending LECs demanding, contrary to public policy, direct trunked transport to their end offices in an apparent attempt to dupe and intimidate those LECs into removing a substantial volume of traffic from the CEA network. Those

Subtending LECs have agreed to route AT&T's traffic over the CEA network, and those Subtending LECs are listed as Routing Exchange Carriers in Aureon's tariff for purposes of CEA service. Information showing that AT&T intends to remove a substantial volume of traffic from the CEA network or pay Aureon significantly less than the tariff rate calculated in accordance with Section 61.38 will establish AT&T's unlawful motive to violate the mandatory terminating use policy. Conduct by AT&T that causes an increase in the CEA tariff rate that the mandatory terminating use policy was designed to prevent is relevant to the Commission's consideration of the reasonableness of the CEA tariff rate. Aureon's tariff rate under Section 61.38 is calculated to recover Aureon's regulated costs, and Section 61.38 requires the tariff rate to increase as traffic volume decreases. AT&T's failure to fully comply with the mandatory terminating use policy will cause cost under-recovery and require increases to Aureon's CEA tariff rate. The requested evidence will disclose AT&T's animus to render CEA service unaffordable for AT&T's smaller IXC competitors; a result which would harm consumers as competitive long distance services are discontinued to hundreds of small towns and rural areas connected to the CEA network.

The information requested is only available from AT&T. Only AT&T knows the applicable traffic volumes and how AT&T would perform the calculations required by 47 C.F.R. § 61.38.

**INTERROGATORY NO. 6:**

With regard to AT&T's contentions that Aureon's tariff rate is unreasonable, and that Aureon's tariff review plans ("TRPs"), associated cost studies, and other related materials (the "Tariff Materials") are incorrect or involve improper accounting methods or rate manipulation, (1) Identify the CEA rate that Aureon should charge for all traffic when applying 47 C.F.R. § 61.38; (2) provide all documentation and communications Related to AT&T's calculation of the

Aureon CEA rate under 47 U.S.C. § 61.38 and AT&T's discussion and/or analysis of Aureon's Tariff Materials; and (3) explain the basis for AT&T's conclusions that Aureon's tariff rate is unreasonable, including, but not limited to, AT&T's conclusion that Aureon's TRPs and associated cost studies are incorrect or involve improper accounting methods or rate manipulation, and AT&T's allegation that Aureon's revenue requirement and the negative rates of return set forth in Aureon's TRP are inaccurate.

**Explanation:**

This information is needed to determine the methodology used and basis for AT&T's conclusion that Aureon's tariff rate is unreasonable, and that its TRPs and cost studies are flawed in order to rebut AT&T's assertion that Aureon's calculated revenue requirement, rate of return, and tariff rate are inaccurate. Aureon needs to review the details of AT&T's analysis and the reasoning behind its conclusions to determine if AT&T is applying the FCC's rules correctly with regard to Aureon's cost studies as Aureon has always performed its cost studies in accordance with Section 61.38 and Parts 32, 36, and 69 of the FCC's rules.

The information requested is only available from AT&T.

**INTERROGATORY NO. 7.**

Identify (1) all offers, arrangements, agreements, settlements, proposals, correspondence, emails, or other documents Regarding AT&T and any Subtending LECs where AT&T pays or proposes to pay the Subtending LEC for switched access service for traffic that is routed over Aureon's CEA network, (2) the total access minutes-of-use of traffic that AT&T routed to each Subtending LEC from August 2013 to the present for which AT&T paid a Subtending LEC under such an agreement, (3) the total dollar amount that AT&T paid to each Subtending LEC from August 2013 to the present under an agreement for that traffic, and (4) the total dollar amount of

Aureon's invoices that AT&T did not pay Aureon for that traffic for which AT&T paid Subtending LECs under an agreement.

**Explanation:**

The requested information is needed to rebut AT&T's allegation that the CEA tariff rate is not just and reasonable. Since September 1, 2013, AT&T has paid Aureon a rate of zero for AT&T's traffic that Aureon transported to the facilities of Great Lakes Communication ("Great Lakes"). AT&T claims that it is not obligated to pay anything because Great Lakes is involved with access stimulation. The requested information will demonstrate that it is unreasonable for AT&T to pay Aureon zero when AT&T pays Subtending LECs for access stimulation traffic. Payments by AT&T for access stimulation traffic pursuant to agreements that AT&T voluntarily negotiated will also show that access stimulation traffic is compensable traffic subject to access charges, including Aureon's CEA tariff rate. Any failure by AT&T to fully pay the tariff rate for the switching and transport of such traffic causes cost under-recovery and requires increases to Aureon's CEA tariff rate.

The information requested is only available from AT&T.

**INTERROGATORY NO. 8.**

When Aureon revised the rate in its FCC tariff on June 17, 2013, Aureon filed its TRP and cost and usage data supporting the calculation of the CEA tariff rate in accordance with 47 C.F.R. § 61.38. AT&T did not file any petition at the FCC to suspend or other complaint at that time regarding the June 17, 2013 FCC tariff revision. Identify the reasons why AT&T did not file a petition or complaint regarding the June 17, 2013 FCC tariff revisions in 2013, 2014, 2015, or 2016. Produce all analysis, emails, communications, and other documents Relating to AT&T's decision not to file a petition or complaint regarding Aureon's June 17, 2013 FCC tariff revision.

**Explanation:**

The requested information is needed to rebut AT&T's allegation that the CEA tariff rate is not just and reasonable. If AT&T had performed an analysis of or had discussions concerning Aureon's June 17, 2013 FCC tariff revision, and concluded that AT&T should not file a petition or complaint as a result of that analysis or discussion, that information would show that AT&T had previously concluded that Aureon's rate fully complied with 47 C.F.R. § 61.38 and is just and reasonable. This information is also needed to determine the methodology used and basis for AT&T's conclusion not to file a petition or complaint regarding the June 17, 2013 FCC tariff revision, and to rebut AT&T's contention that Aureon's tariff rate is unreasonable, that Aureon's TRPs and cost studies are flawed, and that Aureon's calculated revenue requirement, rate of return, and tariff rate are inaccurate.

The information requested is only available from AT&T.

**INTERROGATORY NO. 9:**

Provide: (1) a breakdown of the traffic that AT&T routed to Aureon's network in minutes of use per month between August 1, 2013 through the present by customer categories (*i.e.*, wireless residential, wireless business, wireline residential, wireline business, calling card, etc.); (2) the rate plan(s) applicable to each customer category; (3) the number of minutes applicable to each rate plan; and (4) the incremental revenue that AT&T received for each rate plan, and for each customer category on calls routed to Aureon's network. Include revenues that AT&T received from customers who exceeded their allotted minutes on fixed rate wireless and wireline plans. For purposes of this Interrogatory, the term "incremental revenue" means the revenue that AT&T received for each minute for calls to Aureon's network.

**Explanation:**

The requested information may be used to demonstrate that Aureon's rates are just and reasonable. Aureon's CEA tariff rate is a necessary cost that AT&T will incur when AT&T transports calls for customers that are routed over Aureon's CEA network. Therefore, the price that AT&T charges its customers or, if not a per-minute rate, the revenue that AT&T receives from its customers, may help demonstrate the reasonableness of Aureon's tariff rate, if AT&T priced its service rationally. To the extent AT&T charges a price for routing calls to Aureon's network that is higher than Aureon's tariff rate, a larger margin above Aureon's tariff rate will help demonstrate that the market price is above Aureon's tariff rate and that Aureon's tariff rate is reasonable. The greater the amount that AT&T's price exceeds Aureon's tariff rate, the higher the price that the market has determined to be reasonable during the voluntary contractual negotiations between AT&T and its customers.

This information is also needed because AT&T asserts that Aureon's service does not provide any value to AT&T. The revenues that AT&T receives from its customers for routing traffic via Aureon's network will be used to demonstrate that Aureon's CEA service does provide value to AT&T because Aureon's service enables AT&T to bill its customers for calls made to rural Iowa.

The requested information is also needed to demonstrate that AT&T failed to mitigate its alleged damages. Evidence regarding the volume of traffic will show whether AT&T made any attempt to mitigate its alleged damages by transporting less traffic to Aureon's network by, for example, routing calls over the facilities of other intermediate carriers or IXC's. Furthermore, evidence regarding the prices that AT&T billed its customers will show whether AT&T mitigated its alleged damages by increasing the price that AT&T charges for such calls.



The information requested is only available from AT&T.

**INTERROGATORY NO. 10:**

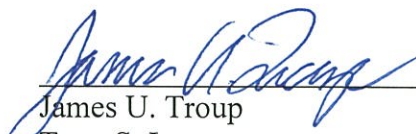
Some of the documents that AT&T produced during the pre-complaint informal exchange of documents were redacted and marked “privileged.” Provide a privilege log for both the documents produced during the pre-complaint informal exchange of documents and for any documents responsive to these formal discovery requests. In the privilege log, Identify with respect to each document or other information you claim is privileged: (1) a general description of the information that you claim is privileged; (2) the identities, titles, and roles of the authors; (3) the identities, titles, and roles of each recipient; (4) the identities, titles, and roles of each person that was CC’ed or received a copy of the information; (5) the privilege or privileges asserted; (6) a detailed explanation of why the particular information is claimed to be privileged; and (7) any other circumstances affecting the existence, extent, or waiver of the privilege.

**Explanation:**

Aureon requires the requested information in order to articulate specific objections and obtain non-privileged information relevant to the claims and defenses in this case that has been improperly redacted or withheld by AT&T. Without the identities and roles of each author and recipient, there is no way for Aureon to determine whether the information that AT&T has redacted or withheld falls within the scope of any privilege.

The information requested is only available from AT&T.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "James U. Troup", is written over a horizontal line.

James U. Troup

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Counsel for Iowa Network Services, Inc. dba  
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Dated: June 28, 2017

**CERTIFICATE OF SERVICE**

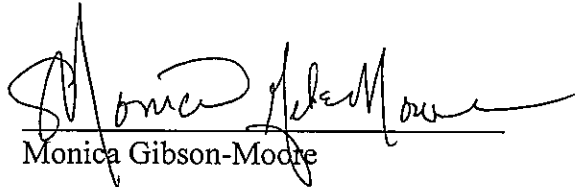
I, Monica Gibson-Moore, do hereby certify that on this 28th day of June, 2017, copies of the foregoing Interrogatories of Iowa Network Services, Inc. d/b/a Aureon Network Services were sent to the following:

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Monica Gibson-Moore